



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 15, 1993

CERTIFIED RETURN RECEIPT
P 074 978 868

Mr. Harold Marston
ECDC Environmental L.C.
1111 West Highway 123
P.O. Box 69
East Carbon, Utah 84520

Dear Mr. Marston:

Re: Reclamation Contract Signature, M/015/062, ECDC Environmental, Emery
County, Utah

Please forward the enclosed reclamation contract and surety to your surety company. Page 8 of 9 of the reclamation contract needs to have a notarized surety signature (see yellow tab). The Board hearing, for approval of this surety, is scheduled for June 23, 1993. Although not critical, we would like to have the form completed by then.

Thank you for your assistance.

Sincerely,

Holland Shepherd
Senior Reclamation Specialist

jb
Enclosure
ECDCRC



File Number M/015/062
Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

MAY 26 1993

DIVISION OF
OIL GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

Copy -
Original sent
back to operator
6/17/93 for
surety signature

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/015/062
Clay

"MINE LOCATION":

(Name of Mine)
(Description)

ECDC Clay Mine
E1/2 NW1/4, E1/2 SW1/4, SW1/4 NE1/4
of Section 1, T16S, R11E, SLB&M.
Emery County

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

18.0
(refer to Attachment "A")

"OPERATOR":

(Company or Name)
(Address)

(Phone)

ECDC Environmental L.C.
1111 West Highway 123
P. O. Box 69
East Carbon, UT 84520
(801)888-4451

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

Gary Nielson

1111 West Highway 123

P. O. Box 69

East Carbon, UT 84520

(801)888-4451

"OPERATOR'S OFFICER(S)":

Harold R. Marston

Vice President of Logistics

"SURETY":

(Form of Surety - Attachment B)

Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Insurance Company of Pennsylvania

"SURETY AMOUNT":

(Escalated Dollars)

\$20,600.00

"ESCALATION YEAR":

1998

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ECDC Environmental L.C. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/015/062 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division

makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Harold R. Marston
Authorized Officer (Typed or Printed)

Harold R. Marston 5-21-93
Authorized Officer's Signature Date

SO AGREED this 20th day of May, 1993.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
James W. Carter, Director

Date

STATE OF _____)
_____) ss:
COUNTY OF _____)

On the _____ day of _____, 19 _____, personally
appeared before me, who being duly sworn did say that he/she, the said _____
_____ is the Acting Director of the
Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah,
and he/she duly acknowledge to me that he/she executed the foregoing document
by authority of law on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

ECDC Environmental L.C.
Operator Name

By Harold R. Marston, Vice Pres. of Logistics
Corporate Officer - Position

5-21-93
Date

Harold R. Marston
Signature

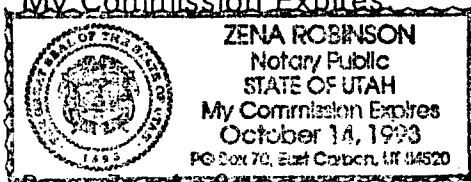
STATE OF Utah)
COUNTY OF Wasatch) ss:

On the 24th day of May, 19 93, personally
appeared before me Harold R. Marston who
being by me duly sworn did say that he/she, the said Corporate Officer
is the Vice President of Logistics of ECDC Environmental L.C.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Harold R. Marston duly acknowledged to me that said
company executed the same.

Zena V. Robinson
Notary Public
Residing at: East Carbon

October 14, 1993

My Commission Expires:



Page 7 of 9

Surety Company

Date _____

Signature

STATE OF _____)
) ss:
COUNTY OF _____)

On the _____ day of _____, 19____, personally
appeared before me _____ who
being by me duly sworn did say that he/she, the said _____
is the _____ of _____
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
_____ duly acknowledged to me that said
company executed the same.

Residing at:

My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

ECDC Environmental L.C.
Operator

ECDC Clay Mine
Mine Name

M/015/062
Permit Number

Emery County, Utah

The legal description of lands to be disturbed is:

USPCI

A Subsidiary of
Union Pacific Corporation

MEMORANDUM

TO: Harold Marston
ECDC

FROM: Linda Sherwood *Linda Sherwood*

DATE: May 10, 1993

RE: \$20,600 Reclamation Bond

RECEIVED

MAY 19 1993

DIVISION OF
OIL, GAS & MINING

Enclosed is the \$20,600 Reclamation Bond for the State of Utah which you requested. Please sign and date where indicated. Upon approval of the Utah State Board of Oil, Gas and Mining, please forward an executed copy to me for our Bond Files.

Thanks.

Enclosure

ATTACHMENT B

NR FORM 5
April 8, 1992

Bond Number 15-14800
Permit Number M/015/067
Mine Name ECDC Play Mine

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

MAY 19 1993

DIVISION OF
OIL, GAS & MINING

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned ECDC ENVIRONMENTAL, LC., as
Principal, and Insurance Company of the State of Pennsylvania, as
Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil,
Gas and Mining (Division) in the penal sum of Twenty Thousand Six Hundred
dollars (\$ 20,600.00).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 17 day of May, 19 93, that 18.0
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining
and Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act
and regulations, then Principal may apply for a reduction in the amount of this Surety
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual
increase in the area disturbed or the extent of disturbance, then, the Division may
require that the amount of this Surety Bond be increased, with the written approval of
the Surety.

Page 2
MR-5
Attachment B

Bond Number 12-01-001
Permit Number M/015/007
Mine Name ECDC Clay Mine

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 5-14-93

ECDC ENVIRONMENTAL, LC
Principal (Permittee)

By (Name typed): Gary Nielson

Title: Manager of Landfill Operations

Signature: Gary F. Nielson

Date April 30, 1993

Insurance Company of the State of Pennsylvania
Surety

By (Name typed): Michael Ferreira

Title: Attorney-in-Fact

Signature: Michael Ferreira

Page 3
MR-5
Attachment B

Bond Number 104550010
Permit Number M/015/067
Mine Name ECDC Elay Mine

SO AGREED this _____ day of _____, 19____.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

Page 4
MR-5
Attachment B

Bond Number 444444
Permit Number _____
Mine Name _____

AFFIDAVIT OF QUALIFICATION

Michael Ferreira, being first duly sworn, on oath deposes and says that he/~~she~~ is the (officer or agent) Attorney-in-Fact of said Surety, and that he/~~she~~ is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Michael Ferreira
Surety Officer

Michael Ferreira
Title: Attorney-in-Fact

Subscribed and sworn to before me this 30th day of April, 19 93.

ANA W. OLIVERAS
NOTARY PUBLIC, State of New York
No. 03-4976178
Qualified in Bronx County
Commission Expires Jan. 14, 19 95

Ana W. Oliveras
Notary Public Ana W. Oliveras
Residing at: New York, NY

My Commission Expires:

January 14, 19 95

The Insurance Company of the State of Pennsylvania

Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

No. 01-B-07875

KNOW ALL MEN BY THESE PRESENTS:

That The Insurance Company of the State of Pennsylvania, a Pennsylvania corporation, does hereby appoint

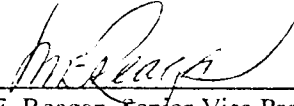
---William J. Paterno, Norma Cruz, Debra Carnegie-Deming, Vincent Moy, Michael Ferreira: of New York, New York---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the company thereby.

IN WITNESS WHEREOF, The Insurance Company of the State of Pennsylvania has executed these presents




this 6 day of April, 1992.


Mark E. Reagan, Senior Vice President

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

On this 6 day of April, 1992,

before me came the above named officer of The Insurance Company of the State of Pennsylvania, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of said corporation thereto by authority of his office.



JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1994

CERTIFICATE

Excerpts of Resolution adopted by the Board of Directors of The Insurance Company of the State of Pennsylvania, on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

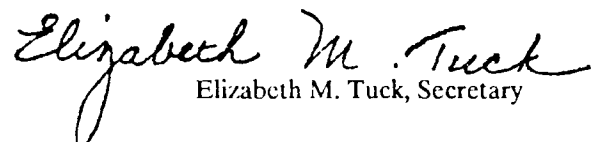
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of The Insurance Company of the State of Pennsylvania, do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation

this 30th day of April, 19 93




Elizabeth M. Tuck, Secretary

**The Insurance Company of the
State of Pennsylvania**

Executive Offices
70 Pine Street
New York, NY 10270



FINANCIAL STATEMENT

as of December 31, 1991

ASSETS

| | |
|---|---------------|
| Bonds | \$916,750,158 |
| Stocks | 231,572,193 |
| Collateral Loans | - 0 - |
| Cash and Bank Deposits | 97,648,693 |
| Agents Balances or Uncollected Premiums | 408,329,469 |
| Funds Held by Ceding Reinsurers | 7,845,684 |
| Reinsurance Recoverable on Loss Payments | 112,734,277 |
| Company's Interest in Assets of AIUA and AIUOA | 6,174,498 |
| Other Admitted Assets | 86,196,159 |

TOTAL ASSETS 1,867,251,131

LIABILITIES

| | |
|---|-----------------|
| Reserve for Losses and Loss Expenses | \$1,195,393,149 |
| Reserved for Unearned Premiums | 233,360,185 |
| Reserve for Expenses, Taxes, Licenses and Fees | 5,065,790 |
| Reserve for Unauthorized Reinsurance | 10,779,342 |
| Funds Held Under Reinsurance Treaties | 19,277,678 |
| Other Liabilities | 31,989,660 |
| Capital Stock | 2,585,000 |
| Surplus | 368,800,327 |

**TOTAL POLICYHOLDERS'
SURPLUS** 371,385,327

**TOTAL LIABILITIES AND
POLICYHOLDERS' SURPLUS** 1,867,251,131

Bonds and stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.
Securities carried at \$73,744,604 in the above Statement are deposited as required by law.

CERTIFICATE

ELIZABETH M. TUCK, Secretary and MICHAEL J. CASTELLI, Comptroller of the The Insurance Company of the State of Pennsylvania being duly sworn, each for himself disposes and says that they are the above described officers of the said Company and that on the 31st day of December, 1991, the Company was actually possessed of the assets set forth in the foregoing statement and that such assets were available for the payment of losses and claims and held for the protection of its policyholders and creditors, except as hereinbefore indicated, and that the foregoing statement is a correct exhibit of such assets and liabilities of the said company on the 31st day of December, 1991, according to the best of their information, knowledge and belief, respectively.

Elizabeth M. Tuck
Secretary

Michael J. Castelli
Comptroller

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On this 30 Day of April, 19 92, Before me came the above named officers of The Insurance Company of the State of Pennsylvania, to me personally known to be the individuals and officers described herein, and acknowledged that they executed the foregoing instrument and affixed the seal of said corporation thereto by authority of their office.

Joseph B. Nozzolio

JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1994

ATTACHMENT "A"

| | |
|------------------------|----------------|
| ECDC ENVIRONMENTAL, LC | ECDC Clay Mine |
| Operator | Mine Name |
| M/015/062 | Emery |
| Permit Number | County, Utah |

The legal description of lands to be disturbed is:

EAST CARBON DEVELOPMENT CORPORTION
CLAY MINE SITE

April 22, 1993

18 Acres more or less described as follows:

Beginning at a point East along the Section line 1,888 feet from the Northwest corner of Section 1, Township 16 South, Range 11 East, SLB&M; thence East 527 feet; thence S 38°23' E, 141 feet; thence S 2°03' W, 251 feet; thence S 26°21' W, 364 feet; thence N 79°31' W, 240 feet; thence N 25°08' W, 367 feet; thence N 9°34' W, 316 feet to the point of beginning. Containing 7.5 acres more or less.

ALSO:

Beginning at a point S 66°04' E, 2,339 feet from the Northwest corner of Section 1, Township 16 South, Range 11 East, SLB&M; thence N 35°24' E, 155 feet; thence N 43°55' E, 251 feet; thence N 65°00' E, 66 feet; thence S 82°56' E, 185 feet; thence S 45°28' E, 126 feet; thence S 0°14' E, 254 feet; thence S 40°03' W, 229 feet; thence S 66°46' W, 97 feet; thence N 75°26' W, 178 feet; thence N 57°43' W, 143 feet; thence N 29°53' W, 87 feet; thence N 0°42' E, 83 feet to the point of beginning. Containing 6.3 acres more or less.

ALSO:

Beginning at a point S 66°39' E, 3,209 feet from the Northwest corner of Section 1, Township 16 South, Range 11 East, SLB&M; thence S 88°11' E, 245 feet; thence S 0°39' E, 130 feet; thence S 69°21' E, 118 feet; thence S 14°32' E, 234 feet; thence S 66°10' W, 270 feet; thence N 74°39' W, 170 feet; thence N 0°31' W, 470 feet to the point of beginning. Containing 3.8 acres more or less.